

Slavery & Human Trafficking Statement for GKN Aerospace Services Limited (the “Company”) for the year ended 31 December 2019

This Slavery and Human Trafficking Statement, made pursuant to section 54 of the Modern Slavery Act 2015, summarises the steps which the Company has taken to address the risk of slavery and human trafficking (“modern slavery”) in its operations and supply chains during the year ended 31 December 2019.

GKN Aerospace’s core values can be summed up in one phrase: doing the right thing – by our people, as a business, and in our world.

OUR ORGANISATION

Business sector

The Company is an aerospace component supplier having manufacturing operations only in the United Kingdom at year end 2019 in the following locations:

Aerostructures Operations – supplying aerospace structural components to the aerospace market

- Filton and Western Approach, Bristol, United Kingdom
- Cowes, Isle of Wight, United Kingdom

Special Technologies Operations – supplying transparency solutions, de-ice protection systems, fuel tanks and flotation devices

- Luton, United Kingdom
- Kings Norton, Birmingham, United Kingdom
- Portsmouth, United Kingdom

The Company does not have any manufacturing operations outside of the United Kingdom at the date of this statement. The Company operates from administrative offices in Solihull, and London UK. The Company is a wholly owned subsidiary of Melrose Industries PLC (“**Melrose**”), with respect to which Melrose’s group policies apply.

Organisation's structure

As at 31 December 2019, the Company employed 3683 people in its UK operations. As at 31 December 2019, the Company had revenues of approximately £ 793m.

SLAVERY AND HUMAN TRAFFICKING WITHIN OUR OWN ORGANISATION

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. GKN Aerospace (“we”) has a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our obligations under the Modern Slavery Act

2015 (<https://www.gov.uk/government/collections/modern-slavery-bill#related-documents>) as well as the United States Government's policy prohibiting trafficking in persons under 48 CFR 52.222-50(b) (<https://www.law.cornell.edu/cfr/text/48/52.222-50>), and other relevant regulations. We expect the same high standards from all of our contractors, suppliers and other business partners.

Policies

Set out below are the policies that applied to the Company and its business during 2019.

GKN Aerospace Code

The GKN Aerospace Code applies to all who work for a company controlled by GKN Aerospace such as the Company, whatever their job and wherever they were located. One of the key principles of the GKN Aerospace Code is a respect for others; the GKN Aerospace Code requires employees to treat people justly, and strictly prohibits the use of child or forced labour in GKN Aerospace's operations or supply chains.

All new employees were provided with a copy of the GKN Aerospace Code and were asked to read it as part of their induction process.

The GKN Aerospace Code was also available to all Company personnel via the GKN Aerospace intranet.

Policies

The GKN Aerospace Code is supported by a number of policies that set out minimum standards to be incorporated into our risk management and internal control systems throughout our businesses.

Employment Policy

The GKN Aerospace Employment Policy requires the Company to treat employees with respect and prohibits the use of child or forced labour in our operations. Specific elements of the GKN Aerospace Employment Policy pertinent to addressing the risk of modern slavery include the requirements for all Company businesses to:

- > comply with prevailing employment laws and regulations; and
- > conduct pre-employment checks including references and the right to work.

During 2019, GKN Aerospace implemented a new GKN Aerospace "Anti-Slavery and Human Trafficking Policy". This policy is based on the Melrose policy and was formally launched and communicated to all employees in January 2019. During 2019, GKN Aerospace prepared online training material on the GKN Aerospace Anti-Slavery and Human Trafficking Policy.

Assurance processes

Whistleblowing

The Company operates and encourages the use of a confidential and anonymous whistleblowing hotline. The hotline is operated by an independent external service provider, which allows employees to speak in confidence to someone who is neither another employee nor their line manager. The external provider reports all employee disclosures to the Company's central legal function, who investigate calls to the hotline independently from the Company's management. The hotline is a free-phone telephone number, which is widely publicised at the Company's site, on the GKN Aerospace Code and via the GKN Aerospace intranet.

Employees are actively encouraged to report any behaviour inconsistent with the GKN Aerospace Code or GKN Aerospace policies, which would include any actual or suspected incidents of modern slavery, to the Company's management directly or via the whistleblowing hotline.

During 2019, the Company received no reported concerns regarding modern slavery in its operations. If such an issue was reported, the Company would immediately undertake a thorough investigation of the issue complained of and where substantiated, and the Company would put in place robust action plans to eliminate the issue and protect any employees.

Risk of slavery and human trafficking in our business

We have considered the risk of modern slavery taking place in the Company's business during the year.

Taking into account that the Company only operates in the UK and the low prevalence of forced labour in the UK¹, the roles being performed (and the skills and qualifications needed to perform those roles) by the Company's employees and contractors, the policies adopted by the Company and the assurance processes in place, the Company's recruitment processes, the Company's access and security controls at its sites and the absence of reports of concerns or incidents regarding forced labour, the risk of modern slavery occurring within the Company's direct employee and contractor population is considered to be negligible.

Taking into consideration the contractors' commitment to adhere to GKN Aerospace's Supplier Code of Conduct and the absence of any reports of concerns regarding forced labour from our employees who had visibility of contracted workers, the risk relating to such workers was considered to be managed and contained.

SLAVERY AND HUMAN TRAFFICKING WITHIN OUR SUPPLY CHAIN

The complexity of our supply chain makes it challenging to effectively manage sustainability issues. Respecting human rights in the supply chain is ultimately our suppliers' responsibility. As customers, however, we play an active role in supplier development and have adopted various means to clearly communicate our expectations to our suppliers and monitor their compliance with them.

During 2019, unskilled roles within the Company were performed by the employees of embedded third party contractors. The nature of these roles and the limited visibility of our contractors' recruitment processes increased the risk of modern slavery for those workers. To mitigate this risk we made it explicitly clear that we would not tolerate the use of modern slavery in our businesses. Contractors were required to sign up to our standard supplier terms and conditions which mandated compliance with GKN Aerospace's Supplier Code of Conduct.

We expect our suppliers, their employees and their supply chains to operate in a way that supports our commitment to strong ethical standards.

Policies

Policies affecting our suppliers during 2019 are described below.

Supplier Policy

The GKN Aerospace Supply Chain Management Policy sets out the standards expected of our suppliers. Our policy is clear: we will not engage with suppliers that infringe internationally accepted standards for workers' rights, use child or forced labour, or fail to comply with relevant laws and regulations. To ensure that our suppliers conduct themselves in a manner that supports our commitment to strong ethical standards, the GKN Aerospace Supply Chain Management Policy requires the Company to conduct a risk

¹ Based on the Global Slavery Index 2018 published by the Walk Free Foundation.

assessment of any new supplier and avoid dealing with those that might damage the Company's reputation, including those that infringe internationally accepted standards for workers' rights or use forced or child labour.

GKN Aerospace Supplier Code of Conduct

The GKN Aerospace Supplier Code of Conduct sets out the minimum standards we expect from all our suppliers. The GKN Aerospace Supplier Code of Conduct prohibits the use of child or forced labour and requires compliance with applicable laws and regulations and internally accepted standards of workers' rights. It also contains explicit requirements to cascade our expectations down the supply chain and a right for the Company to visit supplier locations to ensure compliance with our requirements. A link to the GKN Aerospace Supplier Code of Conduct can be found here:

<https://www.gknaerospace.com/globalassets/downloads/aerospace-suppliers-portal/gkn-aerospace-supplier-code-of-conduct.pdf/>

Due Diligence

The Company undertakes a due diligence process on its suppliers when they are appointed. This includes an assessment of the supplier's ethical behaviour and reputation.

Adverse Media Screening

The Company screens its suppliers on a daily basis against a range of media and denied parties databases. This process of screening would assist the Company in identifying any suppliers who have been publicly identified as being engaged in modern slavery. During 2019, such screening processes did not raise any issues of concern.

Assurance

Site visits

Many of our supplier facilities were visited regularly by procurement personnel. While the visits in 2019 did not include a formal audit of the requirements of GKN Aerospace's Supplier Code of Conduct, they provided visual oversight of our suppliers' employees and their work environments, providing assurance that our direct suppliers respected human rights and did not use child or forced labour.

THE COMPANY'S EFFECTIVENESS IN COMBATING MODERN SLAVERY

Having considered the above analysis and controls, the Company considers that it is effective in ensuring that slavery and human trafficking is not taking place in its business or supply chains, and that the steps it takes are both proportionate and effective.

This statement applies to the financial year ending 31 December 2019. It has been approved by the Board of Directors and signed by two directors on its behalf.



.....

John Pritchard
Director

For and on behalf of GKN Aerospace Services Limited



.....

Gavin Wesson
Director

For and on behalf of GKN Aerospace Services Limited